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MINISTRY OF LAW

(Legislative Department)

*New Delhi, the 15th December, 1962/Agrahayana 24, 1884 (Saka)*

The following Act of Parliament received the assent of the President on the 14th December, 1962, and is hereby published for general information:—

THE STATE-ASSOCIATED BANKS (MISCELLANEOUS  
PROVISIONS) ACT 1962

No. 56 of 1962

[14th December, 1962]

An Act further to amend the State Bank of India Act, 1955, the State Bank of India (Subsidiary Banks) Act, 1959, and the Bankers' Books Evidence Act, 1891, and to provide for the winding up of certain minor State-associated banks and for matters connected therewith.

BE it enacted by Parliament in the Thirteenth Year of the Republic of India as follows:—

1. (1) This Act may be called the State-Associated Banks (Miscellaneous Provisions) Act, 1962.

Short title  
and com-  
mencement

(2) Section 3, except clauses (ii), (iv) and (vii) thereof, shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint; and the rest of this Act shall come into force at once.

Amendment  
of Act 23 of  
1955.

2. In the State Bank of India Act, 1955—

(i) in sub-section (3) of section 31, the following proviso shall be inserted at the end, namely:—

“Provided that nothing contained in this sub-section shall apply to such director by reason only of his being—

(i) a shareholder (other than a director) holding not more than two per cent. of the paid-up capital in any public company as defined in the Companies Act, 1956, or any corporation established by or under any law for the time being in force in India or any co-operative society, with which or to which the State Bank has entered into or made, or proposes to enter into or make, a contract, loan, arrangement or proposal; or

(ii) a director *ex officio* of the State Bank or a director of a subsidiary bank.”;

(ii) in section 34,—

(a) in sub-section (5), after the words “without security,” the words “or without security of a description authorised by this Act” shall be inserted;

(b) in sub-section (6)—

(i) for the word and figures “section 33”, the words “this Act” shall be substituted;

(ii) the words “interest in” shall be omitted; and

(iii) in section 50, in clause (q) of sub-section (2), after the words “without security” in both the places where they occur, the words “or without security of a description authorised by this Act” shall be inserted.

Amendment  
of Act  
38 of 1959.

3. In the State Bank of India (Subsidiary Banks) Act, 1959—

(i) in section 2, sub-clause (iii) of clause (b), sub-clause (iii) of clause (c) and sub-clause (iii) of clause (d) shall be omitted;

(ii) in Chapter II, for the existing heading, the following heading shall be substituted, namely:—

“CONSTITUTION OF NEW BANKS AND CHANGE OF NAME OF ANY  
SUBSIDIARY BANK”;

(iii) in section 3, clause (c) shall be omitted;

(iv) after section 3, the following section shall be inserted, namely:—

"3A. (1) The Central Government after consulting the State Bank and the Reserve Bank may, by notification in the Official Gazette, direct that the name of any subsidiary bank shall, with effect from such date as may be specified in this behalf, be changed to any other name and thereupon any reference to that subsidiary bank in this Act or any other law for the time being in force or in any contract, instrument or document shall be construed as a reference to that bank by its new name.

Change of name of a subsidiary bank.

(2) The change in the name of a subsidiary bank under sub-section (1) shall not affect any rights or obligations of that bank or render defective any legal proceedings by or against it, and any legal proceedings which might have been continued or commenced by or against that bank by its former name may be continued by or against it by its new name."

(v) in section 12, after sub-section (3), the following sub-section shall be inserted, namely:—

'(4) For the purposes of this section,—

(a) "corresponding new bank" means in relation to the Bank of Jaipur Limited, the institution constituted under section 3 as the State Bank of Bikaner;

(b) "existing bank" includes the Bank of Jaipur Limited';

(vi) in section 13, for sub-section (13), the following sub-section shall be substituted, namely:—

'(13) For the purposes of this section,—

(a) "corresponding new bank" does not include the State Bank of Patiala and means in relation to the Bank of Jaipur Limited the institution constituted under section 3 as the State Bank of Bikaner;

(b) "existing bank" includes the Bank of Jaipur Limited, but does not include the Bank of Patiala.';

(vii) in section 34, for the proviso to sub-section (5), the following proviso shall be substituted, namely:—

"Provided that nothing contained in this sub-section shall apply to such director by reason only of his being—

(i) a shareholder (other than a director) holding not more than two per cent. of the paid-up capital in any public company as defined in the Companies Act, 1956, or any corporation established by or under any law for the time being in force in India or any co-operative

society, with which or to which the subsidiary bank has entered into or made, or proposes to enter into or make, a contract, loan, arrangement or proposal; or

(ii) a director of the State Bank or of any other subsidiary bank being a director under clause (a) or clause (e) of sub-section (1) of section 25 or being an officer of the Reserve Bank or the State Bank nominated under clause (b) or clause (c) of that sub-section.”;

(viii) in section 36, sub-sections (3) and (4) shall be omitted;  
and

(ix) for section 59, the following section shall be substituted, namely:—

Construction  
of references  
to existing  
banks.

“59. (1) For the purposes of sections 45, 49, 55, 58 and the First Schedule, the expression ‘existing bank’ shall include the Bank of Jaipur Limited.

(2) Except as otherwise provided in any general or special order made by the Central Government, any reference in any law, other than this Act, or in any contract or other instrument—

(a) to an existing bank, shall be construed as a reference to the corresponding new bank;

(b) to the Bank of Jaipur Limited, shall be construed as a reference to the State Bank of Bikaner.”.

Amendment  
of Act 18  
of 1891.

4. In the Bankers' Books Evidence Act, 1891, in section 2—

(i) for clause (1), the following clauses shall be substituted, namely:—

‘(1) “company” means any company as defined in section 3 of the Companies Act, 1956, and includes a foreign company within the meaning of section 591 of that Act;

(1A) “corporation” means any body corporate established by any law for the time being in force in India and includes the Reserve Bank of India, the State Bank of India and any subsidiary bank as defined in the State Bank of India (Subsidiary Banks) Act, 1959;”

38 of 1959.

(ii) for sub-clause (a) of clause (2), the following clause shall be substituted, namely:—

“(a) any company or corporation carrying on the business of banking.”.

5. (1) Notwithstanding anything to the contrary contained in any other law or in any order or other instrument—

Provisions  
in respect of  
the State  
Bank,  
Dholpur.

(a) the Central Government may by order appoint one or more officers to take over the management of the Dholpur bank or to wind up its affairs and distribute its assets and any expenditure incurred in connection with such appointment, management, winding up or distribution shall be payable by that bank;

(b) the principal civil court of original jurisdiction in the district in which the Dholpur bank's head office is situated shall have exclusive jurisdiction to entertain and decide any claim made by or against the Dholpur bank or any question whatever, whether of law or of fact, which may relate to or arise in the course of the winding up of that bank, whether such claim or question has accrued or arisen before or accrues or arises after the date of the winding up order, and any suit or other legal proceeding, whether of a civil or criminal nature, relating to any such claim or question and pending in any other court at the commencement of this Act shall not be proceeded with except in accordance with this section;

(c) in regard to the admissibility of the entries in the books of account as evidence in the course of the proceedings for the winding up of the bank, the settlement of the list of debtors of the bank, the passing of orders for the payment of the amounts due by the said debtors, the execution of the said orders or any other orders or decrees of the court, the priority of the claims on the bank, the making of preferential payments and the discharge of the other liabilities of the bank and any other incidental or connected matters, the law relating to the winding up of banking companies, as in force for the time being, shall apply as if the Dholpur bank were a banking company;

(d) the period of limitation for any suit or application relating to any payment due to the Dholpur bank which has accrued before or may accrue on or after the date of the first appointment of the officer in charge of winding up of the bank shall be twelve years from the date of the accrual of the claim or five years from the date of such first appointment of the officer aforesaid, whichever may end later; and

(e) after the repayment of all the deposit liabilities and any other amounts due to be paid by the bank including the amounts due to the Government of Rajasthan, the remaining assets, if

any, of the bank shall be utilised, as far as may be, for the purposes and objects specified in the State Bank, Dholpur Act, 1915, and other relevant documents.

(2) In this section, "Dholpur bank" means the bank known as the Dholpur State Bank and governed at the commencement of this section by the State Bank, Dholpur Act, 1915.

Amendment  
of the State  
Bank of  
Kurundwad  
(Junior)  
Act, 1933.

6. In the State Bank of Kurundwad (Junior) Act, 1933,—

(a) in section 22, for the words "The Indian Companies Act as applied to the State," the words and figures "The Companies Act, 1956" shall be substituted; and

(b) after section 22, the following section shall be inserted, namely:—

Special pro-  
vision for  
winding up  
of the bank.

"22A. No provision of law relating to the winding up of companies or corporations shall apply to the bank and—

(i) the provisions of section 5 of the State-Associated Banks (Miscellaneous Provisions) Act, 1962, except the provisions of clauses (d) and (e) of sub-section (1) thereof, and

(ii) the provisions of section 46-O of the Banking Companies Act, 1949,

re of 1949.

shall apply to or in relation to the bank as if references to the court were references to the principal civil court of original jurisdiction in the district in which the bank's head office is situated and references to the Dholpur bank were references to the State Bank of Kurundwad (Junior) Ltd."

R. C. S. SARKAR,  
Secy. to the Govt. of India.